

## 1 Overview

This article looks at some of the “human”, i.e. people-related factors that can cause a CRM project to fail. We then look at why, for those businesses already utilising Microsoft® Outlook® for their day-to-day e-mail, diary and contact management, implementing an Outlook-based CRM system gives you the best chance of overcoming these issues and ensuring a successful CRM implementation.

## 2 The Problem

CRM has received a lot of negative publicity over the years because of the failure rate of CRM implementation projects.

A recent Butler Group report found that 70 percent of CRM implementations fail. A Gartner study found that approximately 55 percent of all CRM projects failed to meet software customers' expectations. In a Bain & Company survey of 451 senior executives, CRM ranked in the bottom three categories among 25 popular tools evaluated for customer satisfaction.

While there are a multitude of reasons cited for failure of these projects, our experience in implementing over 200 CRM projects directly is that **user acceptance is the one of the most critical factors**.

In his article on “Why CRM Projects Fail”, Rajiv Chaudhry quotes:

*You can design the best process in the world, and back it with the latest and greatest technology, but if your people don't buy into the project, it won't work. There are three people-related issues that have surfaced in many of the CRM programs, that are worth noting:*

- **The Fear-of-Change Syndrome.** *You already have a sales process in place. It may be based on printed reports, paper clips, and post-it notes, but it does work to some extent and people are familiar with it. Reengineering requires change, which most people instinctively resist. This fear of change needs to be dealt with early on, or the very people the system is designed to help will be the ones to see that it fails.*
- **The It's Easy Enough Syndrome.** *For your CRM system to be successful, every single person must use it. For the sake of speed, a temptation may be to let IS or a few computer-literate users design the system interface. What you will end up with is a system that they think is easy enough for them to use, but isn't easy enough for everyone. One CIO's observation sums up the whole issue about usability: Too easy never is.*
- **The Big Brother Syndrome.** *Be aware that horror stories of the hidden reasons that companies implement CRM programs may already be circulating through your sales force. They may have heard how these systems are designed to track their every move, just waiting for them to make a mistake so that management can pounce on them. This initial distrust is a very serious issue that must be dealt with swiftly.*

*Leaving any of these concerns unresolved will only result in bigger problems when you get ready for implementation. They need to be dealt with head-on so that everyone is on board and supportive of what the company is trying to accomplish.*

Another one that I would add to the list above is:

- **The “WIIFM” Concept:** More completely known as “*What’s In It For Me*”. It’s no good introducing a system that only benefits the company. This is closely allied to the Big Brother Syndrome above. That is, you cannot expect a system **to sustain itself** if it does not produce any direct benefits to the users themselves.

### 3 Answering these Challenges with a CRM System based on Microsoft Outlook

**The Fear of/Resistance to Change Syndrome** dictates that the less the users have to change the way they work, the more likely they will adopt any new system that is based around what they are already used to. So if your users are already sending mail, managing their own contacts in their own Personal Contacts folder, and scheduling appointments with the Outlook Calendar, they don’t want to change this. We saw this frequently in the past where the first thing users asked us after introducing a new non-Outlook-based CRM system usually was “*Why should I learn a different calendar? – I already know Outlook and I’m comfortable with it*”. And trying to introduce a system that “synchronised” or “integrated” with Outlook also caused endless problems with calendars that got “out of sync”, etc. So this did little to reduce user frustration.

The Resistance to Change factor has another side that’s reflected in a popular saying namely “**Up to the age of 18 you make your habits; thereafter they make you**”. The reality of these words of wisdom is summarized as follows: If a new system is introduced such that not only is training required to learn the system but one also has to form a new set of habits associated with the procedures necessary to run the system, then it will take the average worker 3 to 6 months to develop these new habits to the point where they are ingrained into their daily work routines. And invariably if the user does not see sufficient benefit in the system soon enough (i.e. before these new habits are fully developed), then they continue to do what they were doing before the new system was introduced and as such the new system falls into disuse. One common excuse we used to get during post-implementation audits from users who were found not to have been entering activities into the new CRM system was “*Oh, I keep forgetting to open the system*”, or “*it takes too long to open the system when I need it*”.

**The It’s Easy Enough Syndrome:** If everyone is already using Outlook, and has been trained on Outlook, or at least has become familiar with its functionality then it will be easy enough for them to learn a few new things associated with “relating” items together to transform Outlook into a Customer “Relationship” Management system. Microsoft has made enormous investments in studying the usability of Outlook and soliciting user feedback. So why reinvent the wheel when the users already know (and usually love) this interface.

**The Big Brother Syndrome:** Installing a new Sales Automation system with Activity Analyses and Productivity Comparison Reports already conjures up the wrong impression amongst the sales people. However just adding to Outlook’s functionality to provide a customer-centric “related” view of the existing disjointed elements in Outlook (appointments, tasks, journals, contacts and documents) makes all the sense in the world to users, and does not introduce any negative connotations.

**The “WIIFM” Concept:** Here Outlook definitely comes to the rescue. Users already appreciate the benefits of Outlook as a “**Personal Information Manager**”, especially as Microsoft touts Outlook as being one. The emphasis on **Personal** implies the primary benefit is to the user and not necessarily the company. So Microsoft in that sense has solved the issue of “What’s in it for me?”

Having looked at the fact that Outlook certainly addresses some of the “human” factors associated with a CRM implementation, we still need to look at how well Outlook meets the challenge in terms of functionality. We can do this by looking first at the basics of a Contact Management system, which still today is the core of any CRM system.

## **4 The Basics of any Contact Management System**

Any contact management application needs at least the following basic functionality:

- a) A mechanism to store and profile Contact information.
- b) A means to plan and organize appointments with those contacts, not only for yourself but other team members managing those same contacts.
- c) A means to schedule tasks and to-do’s for those contacts.
- d) A mechanism to record any kind of interaction with a contact, namely meetings, phone calls, e-mail, documents, etc.
- e) Some way of storing documents sent to and received from a contact.
- f) A way to send and track e-mail communication.

## **5 Outlook’s inherent Contact Management Functionality**



Microsoft Outlook is Microsoft’s messaging and personal information management program that helps you manage the following:

- Contacts
- Scheduling (Calendar/Appointments)
- Time/To-Do Management (Tasks)
- Activity Tracking (Journals)
- Messaging (Inbox/E-Mail)

Microsoft product box shot reprinted with permission from Microsoft Corporation

With reference to the requirements list above, Outlook at least satisfies the following requirements:

- a) **A mechanism to store and profile Contact information:** The “Contacts” folder in Outlook already allows a comprehensive profile of any personal or business contact to be maintained.
- b) **A means to plan and organise appointments for those contacts:** Outlook’s calendaring facilities provide these very effectively and when coupled with Exchange Server incorporate a huge number of collaborative features that are extremely difficult for any other stand-alone CRM system to emulate or reproduce.
- c) **A means to schedule tasks and to-do’s for those contacts:** Outlook’s task management facility is excellent for this.

- d) **A mechanism to record any kind of interaction with a contact:** The “Journal” facility of Outlook contains the standard fields necessary to record phone calls, meeting, etc. with clients, and can even time such activities.
- e) **A way to send and track e-mail communication:** The Inbox and Sent Items stores inward and outward e-mails.

However, while Outlook does have the basic foundation for solid contact management functionality, there are certain limitations of Outlook that one needs to be aware of.

## 6 Limitations of Outlook

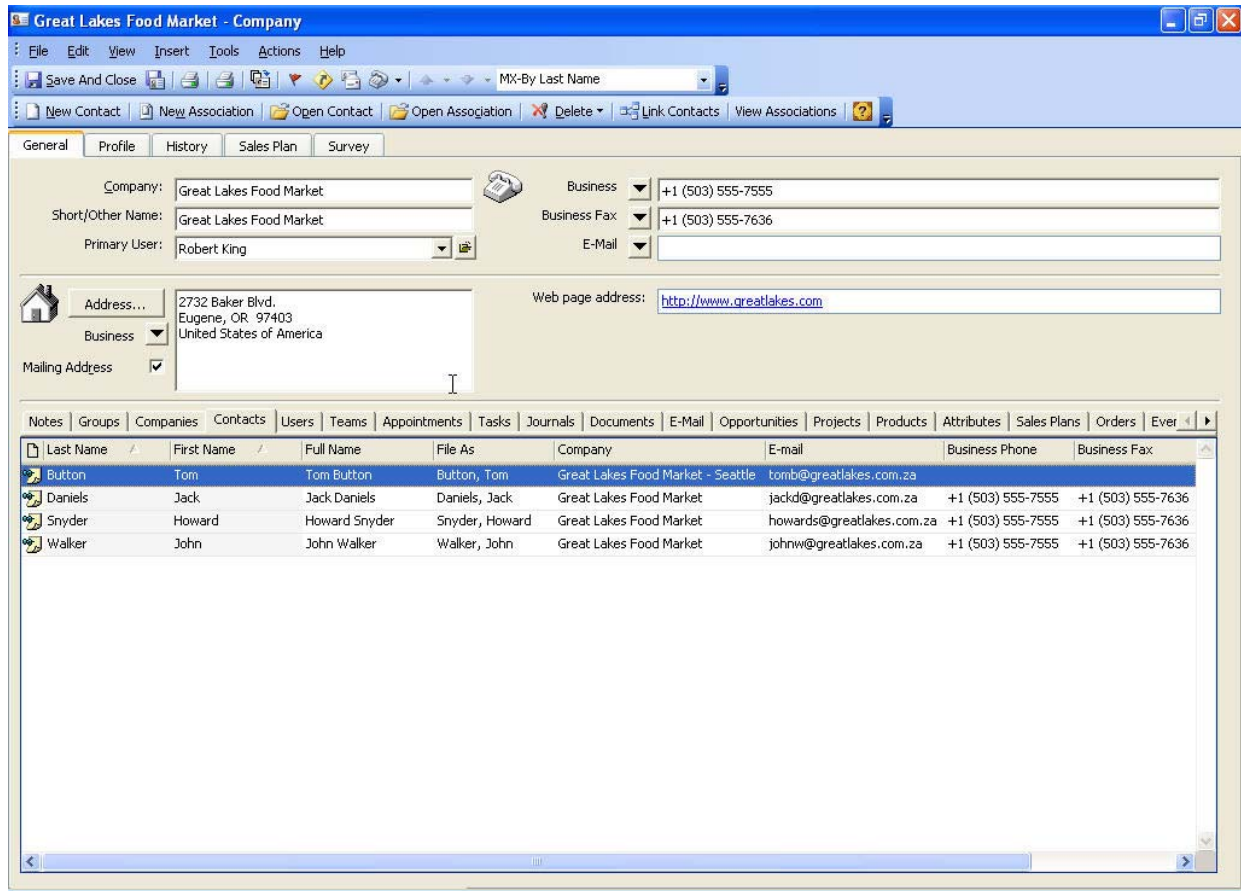
As a contact management application however, Outlook has the following limitations:

- a) Private Mailbox (Contacts, Appointments, etc.): Without setting up and customising Public Folders, most users will just utilise their Private Mailbox **Contacts** folder for managing their contacts, thus limiting the sharing of that information and potentially creating massive duplication of the same data within the organisation.
- b) Contact-centric: By virtue of their being only a Contacts folder (and no Companies folder), Outlook tends to be Contact-centric rather than Account-centric, which can be limiting for those users managing corporate accounts.
- c) Discrete, independent folders: Most users tend to use their Outlook folders as discrete elements, i.e. because it is fairly cumbersome for users to link one item to another, (e.g. a contact to an appointment) they seldom do this. Thus it is difficult for users in the organisation to get an overall picture of all the activity occurring within the organisation against any particular company or contact. The universal objective of any CRM system however, is to provide a “single-view of all customer-related information to everyone in the organisation”.

## 7 Overcoming Outlook’s Limitations

Several Outlook-based CRM systems such as MX-Contact ([www.mxcontact.com](http://www.mxcontact.com)) are Outlook Add-Ins that overcome these limitations by extending the functionality of Outlook to transform it into a powerful CRM system without changing the way users send mail, schedule appointments, etc. Such systems utilise all of Outlook’s existing functionality but add the functionality found in CRM systems to co-ordinate the activities and items in Outlook into **“one central view of all customer related information”**. This is the so-called holy grail of CRM. An example of an Outlook form adapted to reflect this “customer information” view is shown below:

## Why CRM Projects Fail – User Acceptance is the Key!



## 8 Other Advantages of an Outlook-based CRM System

There are several other distinct advantages to deploying Outlook as the basis for contact/customer management. We summarise them here:

### Ease of Use:

- Outlook is always the first application to be opened:** Whenever knowledge workers arrive at their place of work each day, Outlook tends to be the first application that is opened, given that one needs to check what e-mail has been received since last clocking out of the office. He or she therefore opens by default the application needed for Contact Management. One of the greatest obstacles to overcome in the implementation of any CRM system is to get the users into the habit of opening the new system. With Outlook this is not an issue.
- Outlook is always kept open:** The nature of customer interaction is that it is very often re-active, sporadic and impromptu. Therefore it is imperative that the application used to log these interactions is always “at one’s fingertips” so to speak. Given that users keep Outlook open all day so as to respond timeously to e-mail ensures that this is the case.
- Familiar Interface:** If users are already utilising Outlook for at least e-mail and calendaring then they are already familiar with the interface and how to add new items, edit existing items, etc. Thus there is usually very little requirement for extensive training when an Outlook system is deployed. This dramatically shortens the average implementation time.

- d) **Increasing Percentage of E-Mail Interaction:** An ever-increasing number of users are discovering the advantages of e-mail communication over other forms of contact (phone, fax, letter, etc.). So as e-mail becomes more widely used for customer interaction, it makes sense to deploy your e-mail client as the primary vehicle for managing customer communications, rather than utilising a totally different application.
- e) **One calendaring system universal across company & supply chain:** Given that the vast majority of corporate users are utilising Outlook, it is easy for instance to send meeting requests to suppliers or customers, who can then use many of the same collaboration features that are available to internal users/co-workers. Many CRM systems have their own calendaring system and given that not all users will (or can) necessarily adopt this system means that one has to immediately contend with the problem of keeping these dissimilar calendars synchronised so that all users can effectively co-ordinate their diaries.
- f) **One e-mail store:** Many of the conventional database-based CRM systems on the market have difficulty linking to e-mails given that an e-mail is not the same type of object as say a document. For this reason most systems not running inside Outlook tend to copy the contents of an e-mail into their database tables, thereby effectively duplicating the data and also disconnecting it from its original item, thus losing its formatting and also making handling of “Replies” and “Forwards” to the item difficult.
- g) **One document management system:** Some CRM systems also copy documents into their database so as to enable replication of these documents to remote users. The disadvantage of this approach is that a document can only be edited from within the CRM system and not also from its original source on the Windows File System or Exchange Public Folder in the way that most users would already be familiar with.
- h) **Easy synchronisation with most PDA’s:** Given that all PDA’s synchronise with Outlook as a standard, this means that you have automatic access to your Contact Management data if it is kept in Outlook rather than being in another application.

### **Reduced Cost of Ownership:**

- i) **No additional Infrastructure Needed:** If a company already has the infrastructure in place necessary to run Outlook on client machines and Exchange Server, then no additional client or server hardware is needed to run an Outlook-based system.
- j) **Cost of upgrade to new versions of Outlook shared:** Very often a client has to justify the costs of upgrading Office as well as the costs of purchasing the CRM application. With an Outlook-based solution this upgrade cost is shared given that the company receives a whole host of additional benefits and functionality from upgrading Office/Outlook as well as receiving a new CRM system.
- k) **Reduced Training Time (Cost):** Given that users will already be familiar with the basics of Outlook, the time needed to train users, and hence the cost of that training, is significantly reduced.
- l) **Wider Support Base:** Given that there are a large number of internal users and external consultants that know Outlook and VBA/VBScript (used to extend its functionality) it is easier and therefore less costly to enhance the functionality and support your user base.
- m) **Wider application of same training:** If a company invests in training its staff in the functionality of Outlook, so as to more effectively use a CRM system based on Outlook,

then this knowledge of Outlook will be utilised in everything a user does in Outlook, even those activities not linked to customer management but more internal collaboration etc. However, when one invests in training around a separate proprietary system then this training can only be applied to the use of that system and nothing else.

- n) **Reduced Installation Time:** Given that an Outlook-based system installs itself inside Outlook, it is a simple matter for IT personnel to install the system. In many instances this can be done by the user him or herself.

## 9 Summary

Microsoft's earlier promotion of Outlook as a "Personal Information Manager" created the impression amongst users that Outlook was only intended to manage one's personal contacts and was not suited as the basis for a corporate-wide Customer Management System. Hopefully this article has rectified some of these misconceptions and shown that, given that so much of one's day-to-day customer interaction is initiated from within Outlook, Outlook coupled with Exchange or SQL Server is the perfect environment for one's all important Customer database. For an example of an Outlook-based CRM system, please have a look at MX-Contact ([www.mxcontact.com](http://www.mxcontact.com)). A free version is available for download.

## 10 About the author

This article was written by Brian Drury, founder of ExchangeWise ([www.exchangewise.com](http://www.exchangewise.com)), and the architect of MX-Contact ([www.mxcontact.com](http://www.mxcontact.com)), a CRM, Contact Management and Sales Automation System for Microsoft Outlook. Brian has over 20 years experience in the IT industry and has focused on Contact Management, CRM and Collaboration systems for the last 14 years. During this time Brian and his staff have been involved in over 200 direct CRM project implementations covering 7 different products.